

EXECUTIVE SUMMARY

The Fiscal Year 2020 (October 1, 2019 through September 30, 2020) all funds budget for the City of Long Beach totals \$2.8 billion, including \$511.4 million for the Capital Improvement Plan. Table 1 below shows the total Proposed Budget for the City's General Fund, including one-time expenditures, enterprise funds (Gas, Refuse, Water, Airport, Development Services, Harbor etc.) and all other funds (Successor Agency (Redevelopment fund), Debt Service, Internal Service, etc.). Of the total budget, Harbor constitutes 24 percent, or approximately \$677 million, of all proposed spending. The overall 8 percent decrease in the total budget from the FY 19 Adopted Budget to the FY 20 Proposed Budget is due primarily to decrease in Harbor's overall budget.

Table 1. Total Budget (\$ in millions)				
	FY 19 Adopted	FY 20 Proposed	% of Total	% Change
General Fund - Recurring	\$ 498.1	\$ 521.0	19%	5%
General Fund - One-Time	40.0	32.7	1%	-18%
Enterprise Funds	1,455.7	1,146.7	41%	-21%
All Others	1,053.7	1,098.3	39%	4%
Total	\$ 3,047.5	\$ 2,798.7	100%	-8%

GENERAL FUND

The General Fund, which accounts for approximately 20 percent of the total budget, provides much of the resources for critical core City services. This includes policing, fire response, parks, streets and sidewalks repair, and library services. Most other funds and resources are restricted by law for other purposes and cannot be used to support these core functions.

Balancing the FY 20 Budget

The Proposed FY 20 General Fund Budget is balanced and maintains core services, despite expenditure cost growth that outpaces normal revenue growth. The path, however, to this balanced budget was not easy and reflects difficult decisions that come with diminishing flexibility and resources available to find budget balancing solutions.

The March budget projection provided to City Council during the FY 20 budget development process indicated a shortfall of \$2.3 million, not including potential labor costs that could add \$10 million to the shortfall (assuming cost of living adjustments). This FY 20 projection was a smaller shortfall from earlier projections due largely in part to anticipated new revenues including revenues from a State change in the Ambulance Quality Assurance Fee (QAF) program, additional Measure A revenues, and increasing fees and fines per Council direction.

As part of the budget process, City Council reviewed the City Manager guidelines that were proposed to be used in developing the Proposed FY 20 budget in order to have the least adverse impact on services to residents and businesses as possible. These guidelines were as follows:

- An increase in parking fines and ambulance fees to balance the budget– An increase of \$10 to parking fines, projected to generate an additional \$1.5 million, was included in the

FY 20 budget. No ambulance fee increases were included due to revenue projections that indicated that any increase would not generate the funds needed.

- Adds that are not mandatory or essential will be minimized – Enhancements made to the budget that were not offset with other revenues were minimized.
- One-time items will be minimized – Only essential and high priority strategic one-time investments were included in the budget.
- Engine 17 and Six Police Officers will not be structurally funded – Including these enhancements would have added \$4.2 million in structural costs to the General Fund.
- No structural funding for costs related Community Hospital – One-time funding, however, is included in the Proposed Budget for the first-year payment of the City's share of the seismic retrofit for the Community Hospital.
- No structural funding for new labor agreement costs – Negotiations are currently underway and the costs and outcomes are currently unknown. Any costs negotiated for FY 20 will require the identification and use of one-time funds, and any structural impact will need to be included as part of the FY 21 budget projection.

An additional \$2.6 million of anticipated higher Measure A revenues was used for the maintenance of public safety, bringing the total Measure A funds used to maintain police and fire operations to \$21.9 million. This is the equivalent to about 121 sworn positions maintained by Measure A along with 41 public safety positions (39 sworn) that have already been added in prior budgets to enhance services to the community.

While these guidelines were instrumental in helping to balance the budget with minimal impact to services, the balancing left some needs unfunded or underfunded, including the budget necessary for insurance and fleet acquisitions. In addition, there are several other areas that do not have full funding in this budget including infrastructure, maintenance of parks and other City assets, and parks water needs. The underfunding cannot be continued indefinitely without adverse impact, and restoration of the funding will impact future budgets. Later in this chapter there is further discussion on the various unfunded needs.

Proposed FY 20 Changes By Department

Table 2 on the following page summarizes the departmental net fund impact of the FY 20 General Fund proposed changes excluding one-times, along with the budgeted position changes. Most of the budgeted position increases are due to providing support to the Body Worn Camera program, which will help respond to State mandates. As shown in the table, the FY 20 Proposed Budget for the General Fund mostly maintains the relative priorities established by the Mayor and Council during previous budget cycles. Public safety is approximately 70 percent of the overall General Fund budget.

Significant changes by department are detailed in Attachment B and C to this Executive Summary and in the Department Budget Chapters.

Table 2. FY 20 General Fund Net Impacts by Department

Departments	FY 20 Proposed Changes	Position Changes	FY 19 Proportion of General Fund	FY 20
Police	1,389,722	9.00	48.2%	48.0%
Fire	(369,522)	-	19.7%	20.0%
Disaster Preparedness and Emergency Communications	-	-	2.6%	2.6%
Public Works	(1,744,035)	(1.10)	8.0%	8.1%
Parks, Recreation and Marine	68,294	3.08	7.5%	7.0%
Library Services	98,281	(1.02)	2.9%	2.9%
Elected & Appointed	(48,972)	0.65	4.9%	4.7%
All Others*	(2,195,422)	0.86	6.3%	6.8%
TOTAL	(2,801,654)	11.47	100.0%	100.0%

* Includes City Manager, Citywide Activities, Development Services, Financial Management, Health & Human Services and the Economic Development Departments.

Future General Fund Budget Outlook

As part of its financial planning, the City provides an out-year forecast of the General Fund, assuming no change in service levels. A preliminary projection is provided at the beginning of the budget process and an updated projection is provided when the proposed budget is released.

This forecast indicates challenging years ahead. The financial challenges Long Beach faces are not much different than other California cities. These cities all have similar serious long-term financial issues to address and the severity of the immediate issues varies from city to city depending on unique circumstances. How well they acknowledge and identify the issues and develop approaches to mitigate them are key to these cities' long-term success at providing services.

Table 3 below shows the General Fund Budget Outlook for the next five years. The Outlook assumes that current expenses and revenue trends continue and also takes into account known future pattern changes. The Outlook assumes a continued strong economy, no recession, no new services, and no increased investment in infrastructure or facility maintenance.

Table 3: General Fund Surplus / (Shortfall) in \$ Millions*

	FY 20 Proposed	FY 21 Projection	FY 22 Projection	FY 23 Projection	FY 24 Projection	5-Year Total
Surplus/(Shortfall)	10m one-times	(8)	(14)	(10) or (17)	(9) or (12)	(40) - (50)
<i>Range</i>	<i>n/a</i>	<i>(5) to (12)</i>	<i>(11) to (18)</i>	<i>(7) to (21)</i>	<i>(6) to (16)</i>	

* This chart assumes that any shortfalls are structurally solved each year.

As the Outlook will likely change over time as more information becomes known, ranges for each year are provided to account for the inherent uncertainties in looking at the future. While the Outlook has significant uncertainty, it is unlikely that the long-term pattern will materially change, unless there is a recession or some other substantive change.

The Outlook also assumes a potential cost of living wage increases (assumed to be 2.7 percent) that is provided each year. Employee wages are the major part of any full-service city's budget, and therefore, when projecting a future surplus or shortfall, the assumption for wage costs is important. Current employee contracts expire at the end of either FY 18 or FY 19 and are expected to be open for negotiation for FY 20 and FY 21. Historically on average and over a long time-period, Long Beach employees have typically received wage increases close to the cost of living, although for specific years raises might have been higher or lower than the cost of living.

The hypothetical wage increases included adds approximately \$10 million annually. However, for FY 20, the structural cost of any potential raise is not included in the proposed budget and, as a result, one-time funding will be needed to cover any wage increases in that year. The cost of any FY 20 wage increase will need to be funded structurally (permanently) in a future year. In that future year when the structural funding occurs, there will be higher costs to account for the structural cost of the FY 20 wage increase as well as any new wage increase in that particular year. The timing details of the actual negotiated agreements now and in the future will determine the year in which the higher wage cost occurs. This Outlook assumes impact of the higher costs potentially hitting in FY 23 and FY 24 (the higher cost numbers in the table) but could, in fact, occur in any year after FY 20 depending on the outcome of negotiations.

There are a multitude of change "drivers" that impact the forecast on both the revenue and expenditure side. Details of the change drivers are shown in Table 4 on the next page. The top half of Table 4 shows the impact of all change drivers except wage increases. The impact of the hypothetical, but historically accurate, cost of living wage increases is included at the bottom of the table.

Table 4: Drivers for the General Fund Surplus / (Shortfall)*

(\$ in Millions)

Incremental Changes in Revenue and Expense	FY 20 Proposed	FY 21 Projected	FY 22 Projected	FY 23 Projected	FY 24 Projected	5-Year Total
Uplands Oil Transfer	(.4)	.2	(1.3)	(.7)	(.6)	(2.8)
Property Tax	6.1	4.9	3.2	5.6	4.6	24.5
Transient Occupancy Tax	1.4	.7	.7	.7	.7	4.1
Sales Tax & Measure A	7.3	1.1	1.8	1.9	1.8	13.9
Utility Users Tax	(.4)	.0	.3	.2	.2	.4
Other Revenue Change (e.g. VLF, Electric/Pipeline Franchise, Transfers)	6.5	5.6	2.8	3.3	3.1	21.3
Total Revenue Impact	20.5	12.4	7.6	11.0	9.8	61.4
Percent Change	4.1%	2.4%	1.4%	2.0%	1.8%	
Natural Salary Changes	(2.3)	(1.8)	(1.8)	(1.8)	(1.8)	(9.4)
CalPERS Pension Changes	(6.7)	(4.5)	(5.5)	(4.4)	(1.6)	(22.7)
Health Benefit Related Changes	1.4	(.8)	(.8)	(.8)	(.8)	(1.7)
Major City Initiatives (e.g. Critical Technology, Maintenance, Civic Center, Body Camera)	(9.8)	.1	(.3)	(.3)	(.3)	(10.5)
Other Expense Changes (e.g. Debt Service, Insurance and Other Liabilities, MOUs)	(3.9)	(3.0)	(2.8)	(3.1)	(3.5)	(16.3)
Total Expense Impact	(21.3)	(9.9)	(11.1)	(10.4)	(8.0)	(60.7)
Percent Change	4.3%	1.9%	2.1%	1.9%	1.5%	
Additional Impacts To Projected Surplus/(Shortfall)						
City Manager Budget Proposals	2.8	-	-			2.8
Backing out Measure A related revenue increases**	(5.2)	(.7)	(.8)	(.8)	(.8)	(8.2)
Backing out Measure A funded expenses (maintenance)**	2.6	.4	.4	.4	.4	4.1
Saved Surplus from Previous Year - Non-Measure A***	.7	.1	-	-	-	.8
Measure B (Rainy Day Fund) for MA	(.04)	(.05)	(.05)	(.05)	(.05)	(.2)
Potential Wage Increases Assumed at CPI + one-times	\$9.7m	(9.7)	(10.0)	(10) or (17)	(10) or (13)	(40) or (50)
Projected Surplus / (Shortfall)****	.0	(7.5)	(13.9)	(10) or (17)	(9) or (12)	(40) or (50)
Range++	n/a	(5) - (12)	(11) to (18)	(7) to (21)	(6) to (16)	

* Negative numbers represent a negative impact to the fund financial position, and positive numbers represent a positive impact to the fund financial position.

** Measure A related revenue and expense increments need to be backed out in order to calculate the surplus/(shortfall) unrelated to Measure A.

*** In FY 19, surplus funds from health-care related savings was used for various Council approved one-times and is structurally available to carry over and help the FY 20 shortfall.

**** Assumes that any shortfalls are structurally solved each year.

+ FY 20 costs covered with one-times in FY 20 and solved structurally in out-years FY 23 and FY 24

++ The range generally assumes up to a \$3 million positive variance and up to a \$4 million negative variance.

Major General Fund Revenue Trends

Revenues in the General Fund are typically unrestricted in their use and predominantly derived from local taxes. In FY 20, similar to the previous couple years, taxes account for 69 percent of General Fund revenues. In FY 20, Property Taxes, Sales Tax (including Measure A), Property Tax in Lieu of Vehicle License Fees (VLF) and Utility Users Taxes (UUT), alone account for 61 percent of General Fund revenue. Simliar to other California cities, Long Beach is constrained with the revenue sources and how much they can naturally grow year over year. In general, base revenue increase (not including unusually one-time gains or unusual one-time losses) have

trouble even achieving inflation. The section below outlines additional details on various revenue streams.

- Property Taxes – The largest City revenue source by far, in FY 20, total property tax is anticipated to generate \$125.4 million. Positive growth in assessed valuations is anticipated and this is also seen in Property Tax in Lieu of VLF. Although annual increases are anticipated, the City's underlying assessed valuation growth is constrained to two percent per year until a reassessment occurs due to a change of ownership or construction.

Growth in property tax is also being driven by the increases in assessed valuations in the former Redevelopment Agency (RDA) in project areas. Assessed valuations in this area are impacted by various factors including property developed in the former RDA project areas. Starting FY 18, net revenues from the Redevelopment Property Tax Trust Fund were reduced by an estimated \$1 million each year until FY 22. This is due to a Los Angeles County settlement with local school districts which found that the Education Revenue Augmentation Fund (ERAF) should have been included when calculating tax increment pass-through payments to taxing agencies. In addition, outstanding property tax assessment appeals may also limit near-future property tax revenue. Although the City is not anticipating large successful appeals in FY 19 and FY 20, the City will continue to monitor appeals closely due to the uncertainty related to the timing and impacts. The pace of property tax revenue growth in Long Beach is also tied to oil-related property taxes that are impacted by the price of oil. No significant changes to oil prices are anticipated in FY 20 property tax projections.

- Sales Tax – the City's second largest revenue, sales tax revenue (not including Measure A) is projected to generate \$64.7 million in FY 20, experiencing only moderate growth due to the City's sales tax base and recent statewide trends indicating slowed growth or leveling across various sectors. Sales Tax should grow with price increases and a healthy economy, but it is also very volatile and can shrink rapidly in a down economy. In recent years, its base has not grown much above inflation even with a good economy. This is likely because of several key factors: prices of goods have not increased that much in recent years; the country's economy is moving away from the purchase of goods to the purchase of services, which are not taxed in California. A significant portion of Long Beach residents and businesses make purchases outside of the City limits and their sales tax revenue does not come to the City. This tax "leakage" is impacted by factors such as the location of retail sales centers within the City and demographics.
- Users Utility Tax (UUT) – This is a five percent tax on utility services and is projected to generate \$36 million in FY 20. Overall UUT is expected to decrease in FY 20 compared to FY 19, due to a 13 percent decrease in Telephone Users Tax related to the continued erosion in wired revenues due to limited numbers of new subscribers and a highly competitive price environment.
- Transient Occupancy Tax (TOT) – The FY 20 General Fund budget also includes growth in Transient Occupancy Tax (TOT), which is charged on hotel and motel room stays and anticipated to generate \$23 million in FY 20. The FY 20 budget is based on the City's continued year-over-year increases in average daily rates, occupancy and average revenue per available room. In addition to TOT generated from hotel and motel room stays, the figure above includes anticipated revenues from collecting TOT from short-term rentals, which began in FY 19. This is a revenue source that is extremely sensitive to the economy and revenue can drop swiftly and deeply in a recession.

- Measure A – The City’s Transactions and Use (sales) Tax, known as Measure A, is projected to generate approximately \$59.7 million in FY 20, which will be deposited in the General Fund. This is a continued increase from original estimates based and an increase from the FY 19 budgeted projection of \$54.5 million. The significant increase is not due to economic growth, but rather because it is a new tax that is becoming stabilized. Future growth once stabilized is likely to closely match sales tax.
- Ambulance Fees and Parking Fines – These have been relatively stable revenue sources, but the growth rate is low or non-existent unless external factors occur such as an increase in fines or rates. In FY 20, the anticipated revenue from Ambulance ALS and BLS fees (excluding Ground Emergency Medical Transport reimbursements) is \$13.6 million, which includes \$1.5 million in additional new revenues from a State change in the Ambulance Quality Assurance Fee (QAF) program. There is no ambulance fee increase included in the FY 20 budget. In FY 20, revenues from parking citations are anticipated to generate \$19.3 million, which includes an increase of \$1.5 million due to increasing parking-related fines by \$10. This increase was previously discussed with the City Council and was a significant factor in helping to balance the budget.
- Cannabis Related Revenues – FY 19 projected revenues from medical cannabis revenues are estimated to come in under the budgeted level but with greater revenues than the previous year due to upticks in business openings and revenues generated from commercial adult-use cannabis. The FY 20 General Fund budget adjusts for prior year experiences and anticipates approximately \$4 million in revenues. As with Measure A, this is a relatively new tax. It is dependent on the rate at which new businesses open, which has been slower than originally anticipated. Due to this as well as ongoing statewide industry changes, staff continues to monitor these revenues carefully.
- Oil Revenue – The FY 19 revenues assumes \$55 per barrel, which is budgeted at \$9.1 million as a transfer to the General Fund. Currently in FY 19, the price of oil is trending around the budgeted \$55 per barrel level, while current year operating costs are trending to be less than previously anticipated. Both price and production efforts impact the City’s oil revenues and this may result in higher net revenues being available for transfer to the General Fund in FY 19, but this will continue to be monitored.

The projection for the FY 20 budget and for out-years assumes the price of oil is at \$55 per barrel. It is not recommended at this time to raise the budgeted price per barrel of oil, as there is increased risk that projected revenues will not be achieved and less likelihood of surplus revenues that can be used for one-time purposes. Net oil revenues are also impacted by increased cost, primarily the cost of oil well abandonment and annual increases to oil-related expenditures. As experienced in prior years, oil price decreases have led to dramatic reductions in both Uplands Oil revenue, which partially funds General Fund operations and one-time investments, and in Tidelands Oil revenue, which is a major funding source for both operations and capital investment in the Tidelands area. In addition, the oil property-based property taxes in the General Fund have been impacted, and oil production-based taxes for both the City’s General Fund and Police and Fire Public Safety Oil Production Act Fund (Prop H) have also been impacted. Table 3 below shows actual and anticipated annual revenues to the General and Tidelands Funds based on the estimated barrel prices.

Table 5: Revenues Based on Estimated Oil Barrel Prices

In millions of \$	FY 17 Actual	FY 18 Actual	FY 19 Est.	FY 20 Budget	FY 21 Proj.	FY 22 Proj.
Barrel Price Estimate	\$46.6	\$66.2	\$55.0	\$55.0	\$55.0	\$55.0
Uplands	\$9.6	\$11.1	\$10.4	\$8.8	\$9.0	\$7.7
Tidelands	\$15.3	\$17.0	\$13.2	\$12.6	\$8.0	\$7.1

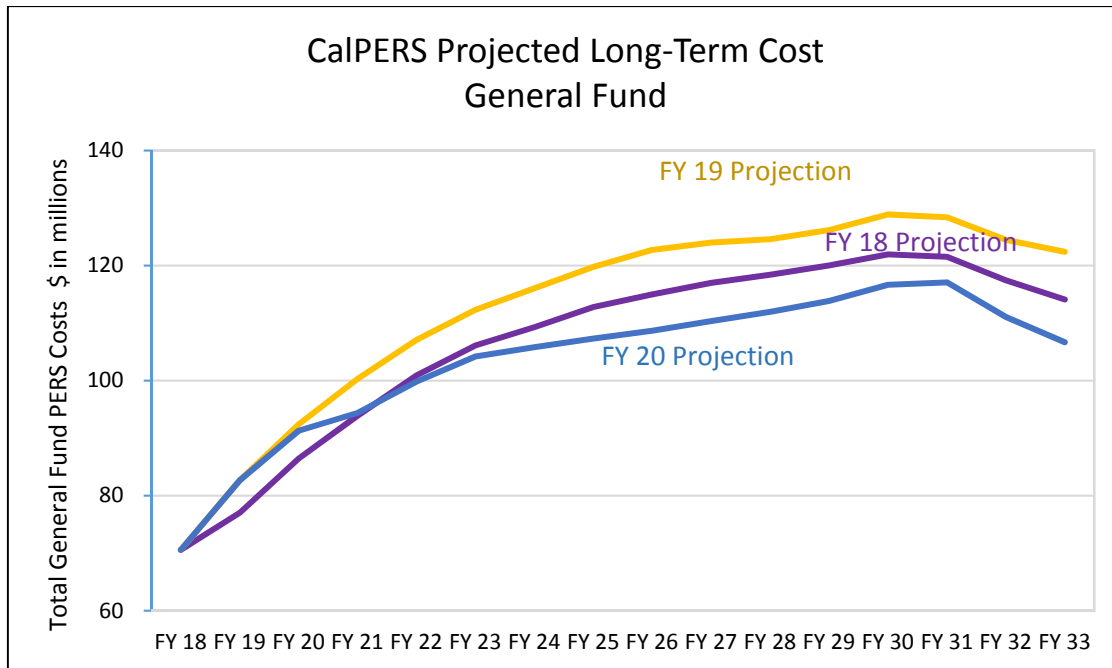
Major General Fund Expense Trends

On the cost side of the equation, pension and other benefit cost, wages, infrastructure and technology maintenance, and resident and business demands for service improvements or new services are the main factors for increases in recent years.

- Pension Costs Increases – Pension costs continue to be a significant cost driver for the City mostly due to the City increasing its annual payments in order to reduce and eventually pay off its unfunded liabilities over the next 30 years. In December of 2017, the CalPERS Board of Administration adopted new actuarial assumptions and a new asset allocation for its portfolio. The Board also changed the discount rate, phased in over three years, with the FY 20 Proposed Budget being the second year of the rate change at 7.25 percent. To fund the plan in the future, the result of this change has been increasing the City's pension costs each year, which continues into FY 20 and onwards. These increased costs will ultimately save money in the long-term as the City pays down its unfunded liability. A positive trend is that pension costs, while increasing are currently increasing at a much slower rate with each year. This can change fairly quickly, depending on investment income. Current projections are that the rate of cost growth is expected to slow and then decrease slowly after FY 32.

In FY 20, General Fund pension costs is anticipated to increase by approximately \$6.8 million from the prior year bringing the total General Fund budget for pension to \$91.3 million (\$154.1 million All Funds). The City will continue to make an early payment of the unfunded liability portion for FY 20. This action will save approximately \$1.7 million to the General Fund, which has been incorporated into the budget.

The following chart shows the previous FY 18 and FY 19 projections compared to the current FY 20 projection.



- Other benefit costs – Workers Compensation and other retirement benefits have also been problem cost factors and, typically have costs exceeding inflation. Similarly, to pension costs, this is not unique to Long Beach. Long Beach with the aid of employees has been able to control health costs better than many cities.
- Infrastructure and technology - Once in place most governments have problems finding the resources to maintain or replace infrastructure and technology. Long Beach is no exception. The City has recently made a major investment in technology that will allow the City to provide better services and be more efficient and effective, but it is expensive. With Measure A, the City has been able to significantly increase its investment in infrastructure and maintaining it, but while that has been very visible and desirable, Measure A does not provide nearly enough resources overall for that need.
- Demands for improved and new services – As times change, the needs of residents and businesses change and there is a constant demand for higher or new services and rarely any agreement on what services can be reduced or eliminated to pay for the new or expanded services. Recent examples include additional fire engines and ambulances, more investment in addressing homelessness, affordable housing, language access, and additional or expanded recreational and park services.

Unfunded Priority Needs and Unfunded Liabilities

As mentioned previously, strong financial management by the City over recent years has made it possible to deliver balanced annual budgets that have kept services intact to the greatest extent possible. However, the costs of city services continue to increase each year and creates an ongoing challenge.

Attachment E contains a non-comprehensive list of unfunded needs and liabilities. While full funding of all of these needs is not feasible today, recognizing the needs allows funding or other

solutions to be sought and makes it easier to prioritize for any solutions or funding that becomes available. The magnitude of the need strongly implies that new approaches will be needed. A financial plan with both short, medium and long-term components can help frame the issue and develop options, some of which may not be funding solutions.

The following sections define and provide an overview of several categories of the City's unfunded needs and unfunded liabilities and how they relate to its long-term fiscal challenges.

Immediate Critical Needs

The City has several immediate critical needs with desired solutions in the next year or two for potential legal reasons, safety reasons, or to maintain operations at current or expected service levels. For example, the historically low levels of rainfall in the recent past has necessitated more resources to fund additional water to irrigate the City's parks and open space. Moreover, the lack of rainfall and adequate resources to fund irrigation of the parks has exacerbated the number of dead and seriously injured trees and created an immediate critical need for tree removal.

Lifecycle Replacement

Equipment needed for City's operations needs to be replaced at the end of their useful life. This is known as lifecycle replacement. Ideally, the costs to replace all equipment and technology should be built into the City's annual operating costs. In some cases, this is done, e.g., for most vehicles and for desktop computers, but for other equipment it is not done, e.g., Self-Contained Breathing Apparatus (SCBA) for fire incidents, as there is not ongoing funding to do so.

Deferred Maintenance

Ongoing maintenance needed to keep the City in good condition is often deferred (meaning not done). Examples include facilities, equipment, roads, stormwater systems and even City-owned trees. This is common in both the public and private sectors. Measure A has helped provide some funding, but the amount of deferred maintenance is high. Measure A has significantly helped with funding, but it is only a starting point.

Unfunded Personnel and Risk Related Liabilities

Unfunded personnel related liabilities are costs incurred for services already performed, but for which the cost has not yet been paid in cash. There are several major employee and risk related unfunded liabilities: pensions, retiree sick leave (to pay retiree health insurance premiums), retiree health insurance subsidies, workers' compensation, and general liability insurance. The City currently has \$1.4 billion in these unfunded personnel and risk related liabilities, summarized by the following table: The amounts of the unfunded liabilities will vary from year to year.

Personnel and Risk Related Unfunded Liabilities (\$ in millions)	
Pension	\$ 1,056
Sick Leave	139
Retiree Health Subsidy	52
Workers Compensation and General Liability	163
Total	\$ 1,410

According to CalPERS actuarial analyses and assumptions, the City will be on track to pay off the unfunded pension liability in approximately 30 years through increased contributions, as long as the general assumptions hold true over that time. There can be no assurance the assumptions, will be met, but they are not unreasonable. For the other unfunded liabilities, however, the current annual funding for the associated employee benefits is not large enough to reduce the unfunded liabilities. There also remains some underfunding of the current costs to provide for the retiree health subsidy. General Liability is funded through charges to departments. Large settlements have increased in frequency and amount in recent years, and are expected to put significant strain on the fund. Per City Council policy, recent budgets have included an additional step towards the reduction in unfunded liabilities by setting aside five percent of any one-time General Fund revenue calculated at year-end close. Although the unfunded needs remain high despite this set aside, this reflects prudent consideration and intent for these unfunded issues.

Other Needs

The City has identified other priority needs such as the 8 by 28 infrastructure projects for the 2028 Olympics and Paralympics. These projects include lifeguard towers, beach concession stands, Belmont Pier rebuild, and the new Belmont Pool. The draft Climate Action and Adaptation Plan is another need for which funding is needed.

STATUS OF OTHER FUNDS

In addition to the General Fund, the City maintains 38 other major funds. Many are narrowly focused and restricted to specific business activities. This section discusses issues impacting other key City funds and highlights funds that have a Citywide impact.

Fleet Services Fund

The Fleet Services Fund is used to account for the City's purchase, maintenance, fueling and replacement of vehicles and equipment, except those owned by the Water and Harbor Departments. The major sources of revenue for this fund are charges to user departments, including capital replacement, preventive maintenance, repair, and fueling charges. The FY 20 budget for vehicle replacement is \$16.5 million, which represents a \$2.1 million decrease from FY 19 Adopted Budget and reflects Fleet's estimates for replacements, which includes vehicles from prior year replacement plans, that will be purchased and placed into service during FY 20 only. The FY 20 replacement plan includes \$3.6 million for the purchase of up to 66 public safety vehicles, which are replacing an aging patrol and public safety fleet. The Fleet Services Bureau continues to evaluate and review its acquisition charges to user departments and makes changes

as appropriate. Alternative fuel vehicles are estimated at 87 percent of the total replacement purchases in FY 20, continuing the goal to reduce greenhouse gas emissions and provide cleaner burning, more fuel-efficient vehicles to City departments.

General Services Fund

The General Services Fund is used to account for the deployment, operation, maintenance and replacement of the City's information and communications systems. This fund includes the cost for hardware and software for these systems, as well as a variety of supporting services, including equipment installation, maintenance, help desk support, business information services, voice, data and wireless networks, radio communications, surveillance camera infrastructure, and central data center. It also includes the management of the City's LBTv cable channel and cable franchise agreement, as well as mail, messenger and reprographics services. The major sources of revenue for this fund are charges to user departments.

The FY 20 budget includes enhancements for ongoing costs related to the critical technology infrastructure investments, transfer of Financial Systems staffing and materials budget from the Financial Management Department to Technology and Innovation Department, increased costs and positions for ongoing support of the new ERP (LB COAST) system, support for the Body Worn Camera program, ServiceNow, and other infrastructure improvements, as well as increased technology support to the Fleet Services Bureau and the Public Works Department.

Recent studies identified both short-term critical needs and long-term technology issues facing the City. The needs are both one-time and ongoing. The issues include installing a Citywide fiber optic system; replacing outdated technology in anticipation of the new Civic Center; and supporting needed systems to meet critical City needs, such as Customer Resource Management (CRM), an Electronic Document Management System (EDMS), and systems and structures to prevent malicious system attacks, data loss, and service outages. Various procurement and funding mechanisms are being utilized to support these projects, including cooperative purchasing agreements, capital lease financing, cash from funds available, and charges to user departments.

SERRF Fund

The Southeast Resource Recovery Facility (SERRF) Fund is used to maintain the Waste to Energy Program and provide regional disposal services for residential and commercial refuse delivered by the City and various private haulers. As provided for in the Joint Powers Authority (JPA) agreement, a reserve fund was established over the past 10 years. The fund has been able to maintain an adequate balance to handle any revenue shortfalls through June 2024.

SERRF achieved a number of milestones in FY 19. SERRF satisfied its obligations with Southern California Edison (SCE) through the completion of the 30-year power purchase agreement, a new energy sales agreement between Long Beach and the California Independent System Operator (CAISO) commenced on December 8, 2018, and SERRF became debt free when it retired its long-term debt. Additionally, SERRF amended its contract with the facility operator, Covanta Long Beach. Both the City and Covanta are investing a total of \$13.7 million in a capital improvement program at the facility. The capital improvement program is progressing on-schedule and should be completed by June 30, 2021. Staff will explore opportunities which address SERRF's potential long-term viability, as well as other suitable waste management options.

Gas Fund

The Gas Fund finances the provision of reliable and cost-competitive natural gas service to customers in Long Beach, Signal Hill, and portions of neighboring jurisdictions while ensuring continued pipeline infrastructure integrity. Ninety percent of the Gas Fund's revenues are received directly from gas ratepayers through metered gas sales. Gas commodity prices are primarily affected by national natural gas market fluctuations and variations in weather conditions. Improved extraction technologies have recently resulted in an abundance of additional gas supplies nationwide, causing continued downward pressure on commodity prices. These price benefits are directly passed through to gas customers.

To ensure the safe operation of the nation's natural gas pipeline system, federal regulators in the Office of Pipeline Safety have significantly increased onsite audits and regulatory reporting requirements of natural gas utilities. The City is now required to prepare a Distribution Integrity Management Plan (DIMP) that delineates potential threats to the safe operation of the Long Beach pipeline gas system and describes the City's high priority focus on replacing gas pipelines installed between the years 1920 and 1950. These and other mandated pipeline system safety and reliability enhancements generate additional costs for both investor-owned and municipal gas utilities to fund replacement of aging natural gas infrastructure, pipeline integrity programs and compliance with state and federal environmental programs. As a result, the California Public Utilities Commission (CPUC) authorized increases to the gas transmission rates charged by Southern California Gas Company (SoCalGas) and San Diego Gas & Electric (SDG&E) to ratepayers in 2019 with additional increases proposed for 2020 through 2022. Generally, the proposed rate increases range between 6 and 10 percent annually. There has been no increase to the City's transmission rates since October 2016. Staff is currently evaluating a proposed rate increase in FY 20.

Under California law, the Energy Resources Department (ER) has been accruing Cap and Trade (AB 32) revenue through the mandated auction of State issued energy credits. This revenue must be expended on City projects consistent with the greenhouse gas reduction goals of AB 32. Funding guidelines stipulate that 35 percent of the funds must be used to benefit disadvantaged and low-income communities. In FY 19, the City budgeted \$3.0 million for eligible energy efficiency renovations at the North Health Facility and \$2.0 million for the installation of electric vehicle charging stations. Included in the FY 20 proposed budget is \$250,000 to support the electric vehicle program and \$762,747 to develop and implement a direct install residential retrofit program which will provide onsite energy evaluations, home performance tests, result reports, and direct installation of energy saving products to single-family homes located in disadvantaged community census tracts at no-cost to enrolled residents. This program will allow the City to meet the 10 percent requirement for low-income and disadvantaged resident allocation. Additionally, \$2.4 million is budgeted for energy efficiency and solar projects at resident serving City facilities, including the Armory, public libraries, and community centers. As of the FY 20 Proposed Budget, the City has budgeted a total of \$12.6 million of AB 32 funds for energy efficient projects.

Successor Agency Fund

In FY 12, the Successor Agency Fund was created in response to California statute AB1X26, which mandated the dissolution of the City's Redevelopment Agency (RDA). Effective February 1, 2012, the City Council adopted a resolution designating the City of Long Beach as the Successor Agency to the RDA and transferred all former RDA functions and assets to the City.

The purpose of the Successor Agency is to dispose of the assets and discharge the obligations of the former Redevelopment Agency. Pursuant to AB1X26, the revenue source for the Successor Agency funds consists of bi-annual distributions from the Redevelopment Property Tax Trust Fund (RPTTF). These revenues are then used to make payments against the Successor Agency's Recognized Obligation Payment Schedules (ROPS). The ROPS are the obligations and commitments created by the City's former Redevelopment Agency for a given one-year period. Additionally, the Successor Agency Fund receives an annual administrative allocation equal to 3 percent of its RPTTF distributions. Over time, as the obligations of the former RDA are met and activity slows, funds remitted to the Successor Agency Fund will decrease. Effective in FY 18 and after an analysis of the City's fund categories, the Successor Agency funds are split into two fund categories: Capital Funds and Debt Service. Funds available at the end of FY 18 in both fund categories were approximately \$31.7 million, including remaining bond proceeds and RPTTF distributions, which are needed to cover future costs for existing committed projects and debt service payments.

Property tax that was formerly remitted to the RDA is now paid to all the taxing entities, including the City's General Fund, where the City receives approximately 21 percent as residual property tax.

Towing Fund

The Towing Fund is an enterprise fund used to account for the City's towing services, which are used primarily by the Police and Public Works Departments to remove vehicles from the City's streets that have been abandoned, parked illegally, involved in traffic accidents, or have excessive outstanding parking tickets. Optimization efforts continue in FY 20 through implementation of a new Towing Operations software system to better manage operations. Automation efforts for lien sale auctions continue in FY 20 in addition to exploring possibilities to streamline the DMV paperwork process, while also maximizing exposure and auction participation to increase lien sales revenue. Towing volumes continue to trend lower than volumes in years past, due primarily to changes in State towing and impound laws. Towing fee increases of between 6 and 13 percent were approved in FY 19 to fund facility repairs, security upgrades, and support ongoing operations. As a result, revenue from tow operations and vehicle storage is trending higher than previous years.

Refuse / Recycling Fund

The Refuse and Recycling Fund provides trash and recycling collection services that serve more than 120,000 residential and commercial customers. This fund supports municipal solid waste collection activities including: residential, commercial, electronic waste, special events, and Recycling and Diversion programs. Due to rising costs and increased State mandates associated with refuse and recycling operations, the Refuse and Recycling Fund has been functioning with an annual operating deficit since FY 09. To address the structural imbalance, a Solid Waste Cost of Service and Rate study was completed in FY 19. On February 5, 2019, the City Council approved a two-step rate adjustment as recommended by the study. Effective March 1, 2019, the typical single-family residential customer's refuse and recycling costs increased by 10 percent. On October 1, 2019 those same residents' refuse and recycling costs will increase by 9.3 percent. These rate adjustments will begin the process of eliminating the structural deficit, positioning the operation into a more secure financial outlook. While the rate adjustments are not insignificant, the City's average refuse and recycling rate for single family homes will remain lower

in comparison to other similar full-service cities such as Los Angeles, Pasadena, Burbank and Santa Monica.

The fund is also supported by grant funds from the State for various public outreach efforts, revenues from the sales of recyclables, fees paid by the City's licensed private refuse haulers for compliance with the Integrated Waste Management Act of 1989 (AB939), and interest income. Over \$4 million is provided annually from the Refuse and Recycling Fund to support related programs such as street and alley maintenance, tree trimming, and stormwater compliance.

Airport Fund

The Airport Fund is exclusively used to finance the Long Beach Airport's operations, including the safety and security of the Airport, the exceptional customer service to passengers, the improvement of quality of life in the surrounding community, and providing a fair and reasonable operating cost to our business partners. Airport revenues generated from Airline fees, parking operations, concession sales, long-term ground leases of Airport property, and other business operations support the Airport Fund. The Federal Aviation Administration (FAA) also provides revenue to the Airport Fund through its Airport Improvement Program (AIP). The Fund also receives Passenger Facility Charges (PFC) and Customer Facility Charges (CFC) from air carriers and car rental agencies, respectively. In FY 20, the Airport Fund expects to generate over \$45.7 million in operating revenues, in addition to over \$7.7 million in PFC revenues and \$1.9 million in CFC revenues. This is attributed to annual passenger activity projected at over 3.6 million for FY 20. Along with a diverse portfolio of revenues sources and business partners, the Airport maintains a self-sufficient operation and provides an award-winning travel experience.

In addition to operating revenues, the Airport fund receives grant funding from the FAA and the Transportation Security Administration (TSA). These sources of revenues help support the Airport's critical infrastructure such as runways, facilities and roadways. Phase II of the Airport's Terminal Area Improvement Project, one of the largest undertaking in the Airport's history, will continue in FY 20. The \$69 million project is fully funded by the Airport Fund without the issuance of new debt. The project involves major improvements and new construction on the pre-security side of the Airport, including a new airline ticketing facility, consolidation of the baggage claim areas, a new baggage screening facility, improvements to the terminal building, a concessions area, and a rental car quick turnaround area and storage lot.

Uplands Oil Fund

The Uplands Oil Fund accounts for oil revenue outside the Tidelands area and accounts for all costs and revenues for the City's proprietary oil interests, including accumulating reserves for the City's portion of oil well abandonment and site clearance liabilities. Revenues are derived from participation in oil operations and overhead fees received by the City as Unit Operator for the Tidelands Oil operations. The price of oil has shown frequent oscillations and occasional sharp drops. The price of oil has recovered from the lows of early 2016, when the price reached a low of \$20 per barrel, and is projected to end FY 19 averaging approximately around \$55 per barrel. As stated in an earlier section on Oil Revenue, the FY 20 Proposed Budget includes a projected price of oil of \$55 per barrel, and \$8.8 million of structural funding (transferred from the Uplands Oil Fund to the General Fund).

Tidelands Operations Fund

Tidelands funds are customarily combined under the umbrella of Tidelands Operating Funds. To facilitate understanding and transparency of the status of the funds, the FY 18 Budget separated out the Tidelands Operations Fund from the other Tidelands Area Funds (Marina, Queen Mary and the Rainbow Harbor Area funds). In FY 20, the funds have been further refined with parking-related operations, previously in the Rainbow Harbor Fund, being grouped under the Tidelands Operations Fund. The Tidelands Operations Fund, which primarily funds operations along the beaches and waterways, is heavily dependent on base oil revenue and an annual transfer from the Harbor Revenue Fund to support Tidelands Operations, including lifeguards, waterfront maintenance, the Convention Center, and Aquarium debt payments. To fund operations, the FY 20 Proposed Budget includes a projected \$20.1 million transfer from the Harbor Revenue Fund and a projected \$12.6 million transfer from the Tidelands Oil Revenue Fund, based on \$55 per barrel. Any surplus oil revenue is historically made available to support capital improvement projects in the Tidelands area. In FY 19, \$1.7 million in oil revenue is projected above the budgeted amount. Overall, \$2.6 million in surplus funds is projected by the end of FY 19. A list of projects being proposed that utilize this surplus is included in the FY 20 Proposed Capital Improvement Program budget.

Tidelands Area Funds

Tidelands Area Funds are comprised of the Marina and Queen Mary funds. Sources of revenue for these funds are generated from various activities, specific to each fund. The Marina Fund revenue is generated through recreational and commercial use of marina property. Fees include dock/slip fees, restaurant, retail and grounds rental leases, concession fees, park use fees, special events and filming. The Marina Fund revenues are pledged for the repayment of the Marina Revenue Bonds, Series 2015, which financed improvements to the Alamitos Bay Marina and prepaid existing Division of Boating and Waterways loans. The Alamitos Bay Marina was completed in April 2018. In March 2019, Fitch affirmed the bonds 'BBB' rating stating that the outlook on the bonds is stable. The Queen Mary Fund revenue is generated through rent from the Queen Mary master lease, which includes Queen Mary base rent, sublease rent from Catalina Express and per passenger fee rent from Carnival. These rental revenues in FY 19 continued to offset debt service on bonds received and appropriated in FY 17 and 18, which were used for on-ship capital improvements, including upgrades to educational exhibits and renovations to the Fire-Life Safety systems ship-wide.

Health Fund

The Health Fund was established to account for funds restricted for public health purposes only. The Fund accounts for revenues and expenditures associated with Federal, State and local grants, health permits, and other fees. The Health Fund budget of \$55.6 million supports programs focused on retention of existing services which promote health and wellness, and provide protection from disease and injury. However, as grant funding becomes more stringent and allocations remain relatively flat, the costs of providing these services due to increases in personnel costs continues to rise.

In FY 19, the City benefited from a County Measure H grant award of \$2.6 million to implement Homeless Initiative strategies to combat homelessness in Los Angeles County. On June 14, 2018, the California State Legislature approved the State's Homeless Emergency Aid Program budget for FY 19. It included unprecedented investments in funding infrastructure and services

to reduce homelessness in California, including approximately \$12 million to the City of Long Beach. The primary focus of these one-time funds is to establish a year-round shelter for those experiencing homelessness in Long Beach; none of these funds will be used for planning or on-going operations.

Staff monitors the challenges facing the fund including growing capital and infrastructure needs, rising technology and benefit costs, and increased restrictions placed on grants. Staff is working to identify strategies to address these ongoing challenges to ensure services levels are maintained.

Police and Fire Public Safety Oil Production Act Fund

On May 1, 2007, the voters approved the Police and Fire Public Safety Oil Production Tax (Proposition H), a special tax of 25 cents, with an annual CPI increase on every barrel of oil produced, and restricted to fund police and fire services. The tax assessed through June 30, 2018 was \$0.30/barrel oil produced, and effective July 1, 2019 the tax will increase to \$0.32/barrel oil produced. Though the tax per barrel is increasing in FY 20, the number of oil barrels produced in the field is projected to decrease by approximately 3.7 percent, and therefore the revenue is expected to be lower than in previous years. This reduces the level of support Proposition H can provide to the General Fund. Because oil is a diminishing resource (meaning production normally declines year over year) and Proposition H revenue is therefore expected to decline year over year, expenditure reductions are expected in future years to match the revenue declines.

Gas Tax Street Improvement Fund

The Gasoline Tax Street Improvement Fund is used to account for the receipt and expenditure of gasoline tax funds apportioned under the State Streets and Highways code, as well as other sources dedicated to street improvements, such as grant revenue. Expenditures in this fund may be made for any street-related purpose on the City's system of streets, including reimbursement to the General Fund for eligible street maintenance costs. The FY 20 Proposed Budget includes \$11.3 million in capital street improvements, which includes \$7.8 million Road Repair & Accountability Act (SB-1) revenues, and \$8.1 million in street maintenance, for a total expenditure budget of \$19.4 million. It is anticipated that the Gas Tax Street Improvement Fund will see an increase in revenues in FY 21, mainly due to an increase in SB-1 revenues.

Insurance Fund

The Insurance Fund is a Proprietary Internal Service fund and accounts for and finances all risk management-related and insurance activities Citywide. The City adopted self-insurance programs and obtains excess insurance coverage in the open market. The fund is primarily supported through charges to City departments and funds based on overhead rates and allocation of risk management costs and reimbursements. The FY 20 Proposed Budget includes \$31.4 million for Workers' Compensation and \$17.9 million for General Liability. Approximately 71 percent and 58 percent of fund revenues for Workers' Compensation and General Liability, respectively, are derived from the General Fund.

The Workers' Compensation program, as required by law, offers benefits to employees at no cost, if an employee is injured or becomes ill on the job. The current and long-term value of Workers' Compensation costs for actual and incurred but not reported claims is \$134.9 million. General Liability Insurance claims, settlements and judgment costs have risen in recent years

and are expected to increase more in future years. As of the end of FY 18, it is anticipated the settlements and judgments on liability cases will double from previous years. The current and long-term value of General Liability is \$27.9 million.

The increase in costs in recent years suggests a close watch be kept on this fund and adjustments may be needed in future years.

Community Development Grants Fund

The Community Development Grants Fund is used to account for funds received from the U.S. Departments of Housing and Urban Development (HUD), Labor, Education, and others for economic and community development programs. The Fund also includes county, state and other support for programs including neighborhood improvement efforts that target low and moderate-income areas of the City, homeless services, affordable housing, workforce development strategies, business assistance efforts, and support for youth development.

Each year, the City actively pursues new funding opportunities to support various programs and services. State and federal grants comprise the majority of revenue in this fund. The balance of revenue is primarily from residential rehabilitation loan repayments, programmable funds carried over from previous years, and from leveraged co-investment between the Workforce Investment Board (WIB) and other partners. The two major resources in the Fund are HUD's Community Planning and Development formula programs (Community Development Block Grant, HOME Investment Partnerships, and Emergency Solutions Grants) for \$9.6 million in FY 19, and Workforce Innovation and Opportunity Act (Labor) formulaic allocations, estimated to be \$4.6 million in FY 19, both of which are seeing year-over-year declines in federal appropriations.

SUMMARY OF ATTACHMENTS

The attachments that follow include: a list of strategic General Fund one-time investments (Attachment A), FY 19 Summary of Significant Changes (Attachments B and C), Impact of Critical Technology Needs on Budget Summary (Attachment D), and Unfunded High-Priority Needs and Liabilities (Attachment E).

General Fund Strategic One-time Investments - Non Measure A

ATTACHMENT A

Title and Description	Amount
PUBLIC SAFETY	
<u>Background and Application Processing for Police Academy</u> Preparations for Police Academy 95, commencing in winter of 2020, including application and background checks for new recruit eligibility.	\$ 800,000
LIVABILITY	
<u>Long Beach Community Hospital Seismic Retrofitting</u> Shared costs for seismic retrofitting at the Community Hospital of Long Beach as part of the program to meet seismic requirements and reopen the hospital.	\$ 1,000,000
<u>Armory and 4th & Atlantic Buildings</u> Security and property maintenance for the Armory and parking lot repairs at 4th & Atlantic.	\$ 440,000
<u>Citywide Homelessness Efforts</u> Outreach, rapid response, and clean up for Citywide efforts related to homelessness.	\$ 255,000
<u>Language Access Plan</u> Continue the Language Access Program (LAP) implementation to promote equal access to City services for all residents.	\$ 80,000
OTHER	
<u>Election & Special Election Expenses</u> Expenses related to Citywide elections and special elections for vacant City Council District offices.	\$ 1,225,000
<u>Census Outreach and Redistricting</u> Community engagement and implementation strategies to ensure an accurate count in the decennial census and redrawing of district boundaries in accordance with the community vote in favor of Measure DDD.	\$ 600,000
<u>Donation Support for Animal Care Services</u> Donation support for the establishment of a non-profit supporting Long Beach Animal Care Services.	\$ 100,000
Total Strategic Investments - General Fund	\$ 4,500,000



Summary of Significant Changes: General Fund Group

For ease of review, all reallocations of resources within funds, offset adjustments, and minor changes have not been included. As figures reflect the net impact to a fund, an increase in expense is shown as a positive number (cost/hit to fund) and a decrease in expense is shown as a negative number (savings/benefit to fund). Accordingly, a decrease in revenue is shown as a positive number (cost/hit to fund), and an increase in revenue is shown as a negative number (savings/benefit to fund).

Department and Item	Impact	Positions
City Auditor		
Reduce budget for efficiencies in audit services and contracting.	(31,331)	-
City Clerk		
Reduce a Full-Time Senior City Clerk Analyst position to a Part-Time Senior City Clerk Analyst Position to create efficiencies in supporting elections and legislative services.	(34,777)	(0.24)
City Manager		
Convert an Assistant Administrative Analyst I to a Public Affairs Assistant to support communications, marketing, and social media messaging promoting Sustainability initiatives.	-	-
Reallocate funding of a Public Affairs Officer between the General Fund Group and the Special Advertising and Promotion Fund Group to better align with duties.	(71,218)	(0.37)
Reclassify various Assistant to the City Manager position titles to align with actual duties. New titles include: Manager of Office of Civic Innovation, Manager of Citizen Police Complaint Commission, Manager of Cannabis Oversight, Assistant to the City Manager - Special Projects, and Assistant to the City Manager- Administration.	-	-
Civil Service		
Add two Personnel Analyst II positions to the Recruitment and Selection Division to assist with examinations, improve proactive recruitment and outreach efforts, partially offset by elimination of a Personnel Assistant II.	146,495	1.00
Reduce budget for temporary agency staffing.	(14,240)	-
Development Services		
Add an Administrative Analyst II, a Combination Building Inspector, and specialized consultant budget to support the administration of the Short-term Rental Program.	349,351	2.00

Department and Item	Impact	Positions
Increase revenue for short-term rental program generated from cost recovery fees.	(200,000)	-
Reallocate funding for a Neighborhood Services Specialist III from the General Fund Group to the Community Development Grant Fund Group to align the positions budget with the Community Development Block Grant (CDBG) responsibilities.	(102,639)	(1.00)
Reallocate one Combination Building Inspector from Standard Code Enforcement to the Proactive Rental Housing Improvement Program.	(109,239)	(1.00)
Reduce budget for adhoc special events and citywide project support.	(90,000)	-
Economic Development		
Implement various organizational, staffing, and material changes to reflect actual operations.	(45,198)	(1.05)
Fire		
Increase budgeted revenue for Multi-Family Residential Inspection program to more closely align with expected projections.	(180,000)	-
Increase budgeted revenue for program expansion of the Instructional Services Agreement with East L.A. College.	(75,000)	-
Reclassify one Firefighter/Inspector associated with the Cannabis Program to a Clerk Typist III to align the position with current duties.	(146,265)	-
Upgrade two Clerk Typist positions to one Assistant Administrative Analyst II and one Administrative Aide II positions in the Support Services Bureau to reflect the increased responsibilities and duties required to manage data generated by the Department's Electronic Patient Care Reporting system and Training Division.	31,743	-
Financial Management		
Add a Payroll Personnel Assistant II and an Assistant Administrative Analyst II in the Administration Division to support the Fleet Service Bureau's payroll and personnel needs, offset by charges to the Fleet Fund.	-	2.00
Eliminate a License Inspector II from Business License division as part right-sizing of the Cannabis program.	(89,084)	(1.00)

Department and Item	Impact	Positions
Reallocate partial funding of various staff and supplies in the Accounting Bureau from the Community Development Grants Fund, Housing Development Fund and the Successor Agency Operations Fund to the General Fund to account for adjusted scope of services provided by Financial Management.	102,206	0.98
Reduce budget in the Citywide Activities Department to reflect efficiencies in management of revenue anticipation.	(187,500)	-
Transfer a Controls Operations Officer, a Financial Controls Analyst, and materials and supplies from the eliminated Financial Controls Bureau to the Administration Division as part of the reorganization related to establishing an ongoing support structure for the new ERP (Munis) system.	-	-
Upgrade two Customer Service Supervisor I positions to Customer Service Supervisor II positions to realign supervision and generate efficiencies in the Commercial Service Bureau, offset by reductions in materials and supplies.	-	-
Health		
Increase budget for utilities at a new facility, the Housing Navigation Center, which will provide access and referrals to services for people experiencing homelessness.	25,000	-
Upgrade Administrative Intern to Assistant Administrative Analyst II to increase coordination and oversight of Language Access Program (LAP) activities.	45,302	0.30
Legislative		
Reduce the Legislative Department's budget for efficiencies in staffing and operations.	(74,769)	(0.10)
Library Services		
Increase budget for contract security guards to assist with safety measures for both library staff and patrons at various branch libraries.	100,000	-
Reclassify and reallocate various positions to provide appropriate staffing levels to meet current service demands including adding a Library Assistant, Library Aide, and General Librarian offset by reducing page hours and eliminating vacant Library Aide and Library Clerk positions in the Main Library.	(1,719)	(1.02)
City Attorney		
Reduce City Attorney budget for efficiencies in City legal services.	(41,647)	-

Department and Item	Impact	Positions
Police		
Add one Administrative Analyst II (Workers' Compensation Liaison) to the Personnel Office to assist sworn employees through the workers' compensation process and return to work faster, offset by funding from the Insurance Fund Group.	-	1.00
Add one Public Affairs Officer to the Executive Office to oversee and direct the Department's media relations functions, offset by funding from the Special Advertising and Promotions Fund Group.	-	1.00
Eliminate contract services and the equivalent reimbursement revenue for Long Beach Towne Center Security.	-	-
Reduce overtime budget and corresponding reimbursement revenue to reflect pending reduction or cancellation of the Long Beach Unified School District School Resource Contract. As contract negotiations are pending, overtime budget will be restored if LBUSD maintains any SROs.	-	-
Eliminate two vacant Special Services Officers III from the Jail Division Transport Unit.	(217,668)	(2.00)
Increase budget for the Body Worn Camera Program - add the following positions: one Records Administrator, one Administrative Analyst III, two Assistant Administrative Analysts and five Clerk Typists IIIs to ensure the Program is supporting the State mandates and day to day functions.	850,052	9.00
Increase budget for the Body Worn Camera Program - for outside contract services to perform review of footage from body worn cameras.	100,000	-
Increase budget for the Body Worn Camera Program - to implement the Axon contract for costs including licenses, storage, and integration.	871,395	-
Reallocate the Justice Lab from the Office of Civic Innovation to the Police Department, by converting one Clerk Typist IV to an Administrative Analyst III and converting one Special Services Officer III to a Business Systems Specialist IV, offset by a reduction in department wide overtime.	-	-
Reduce department-wide structural overtime budget, representing 3 percent of total structural overtime budget.	(214,057)	-
Parks, Recreation, and Marine		
Add 1.34 Recreation Leader Specialist V positions to support El Dorado Regional Park permit compliance and gate operations, offset by increased revenue.	-	1.34

Department and Item	Impact	Positions
Add one Clerk I to support adoption and volunteer programs in the Animal Care Services Bureau.	53,666	1.00
Add one Public Health Associate I to function as the Adoption Coordinator to support adoption and volunteer programs in the Animal Care Services Bureau.	56,649	1.00
Add Recreation Assistant funding to support and coordinate the Volunteer Program in the Community Recreation Services Bureau.	62,271	0.75
Implement various organizational, staffing, and material budget changes to achieve efficiencies, including reduction of staff when programs are not offered at the park; addition of a Park Maintenance Supervisor to provide oversight of the Grounds Division offset by elimination of Maintenance Assistant positions; and upgrade of a Recreation Assistant to a Community Services Supervisor.	(25,205)	(1.01)
Increase budget for the ongoing maintenance costs of City Council led park initiatives.	25,013	-
Reduce budget dedicated for weed control of unimproved alleys.	(25,000)	-
Reduce budget for work previously conducted by Parks but now being managed by other departments including Engineering Services, and permits and licenses for capital projects.	(79,100)	-
One-time funding for an additional 11th week of Summer Fun Days to provide programming that aligns with the Long Beach Unified School District calendar for the Summer of 2020.	47,400	-
One-time funding of \$40,610 for an 11th week of Summer Day Camps, offset by revenue from fees to provide programming that aligns with the Long Beach Unified School District calendar for the Summer of 2020.	-	-
Public Works		
Add a Capital Projects Coordinator I position to support the Small Cell Program.	125,767	1.00
Increase budgeted revenues from the anticipated fees to be collected from the Small Cell Program.	(200,000)	-
Add a Clerk Typist III position to support the Project Management Bureau.	71,292	1.00
Add a Permit Technician II position to support the Private Development Division.	90,854	1.00

Department and Item	Impact	Positions
Add a Street Landscape Supervisor I position, an Equipment Operator II position and associated expenses to support the Street Median program.	241,628	2.00
Add a Transportation Planner I position and an Assistant Administrative Analyst II position plus associated costs, including on-going support for a vehicle for the new Micro-Mobility Program.	270,784	2.00
One-Time funding for the acquisition of a vehicle for the Micro Mobility Program.	34,223	-
Increase budgeted revenues from the anticipated fees to be collected from the Micro-Mobility Program.	(217,572)	-
Eliminate 2.99 Trades positions and transfer budget to contract expense budget due to the move into the new City Hall Building.	(25,149)	(2.99)
Increase expense budget due to reduction of Personnel MOU with Fleet Services Bureau of Financial Management Department.	212,051	-
Increase various budgeted revenues throughout the department, to align with actual experience and current projections.	(883,943)	-
Reallocate expenses related to the Parking Operations Contract to more accurately reflect actual expenses in the correct funds.	(738,756)	-
Transfer 5 positions and associated expenses in the Stormwater Division from the General Fund to LA County Measure W.	(738,500)	(5.00)
Upgrade 2 Capital Projects Coordinator IV positions to Project Management Officer positions to provide additional supervision of staff in the Project Management Bureau.	(1,510)	(0.09)
Upgrade an Accounting Technician position to an Accountant I position in the Budget Services Division to align budget with actual duties.	11,236	-
Upgrade a Civil Engineer position to a Senior Civil Engineer position to better align budget with duties.	(404)	(0.02)
Upgrade a Payroll Personnel Assistant II position to an Administrative Analyst III position.	38,189	-

Summary of Significant Changes: Other Fund Groups

For ease of review, all reallocations of resources within funds, offset adjustments, and minor changes have not been included. As figures reflect the net impact to a fund, an increase in expense is shown as a positive number (cost/hit to fund) and a decrease in expense is shown as a negative number (savings/benefit to fund). Accordingly, a decrease in revenue is shown as a positive number (cost/hit to fund), and an increase in revenue is shown as a negative number (savings/benefit to fund).

Department and Item	Impact	Positions
Airport Fund Group		
Add an Administrative Analyst II position to support the Security Division due to increased mandatory regulatory requirements. (Airport)	114,913	1.00
Add an Administrative Analyst III position to the Administration Division to assist in revenue generation and commercial enterprise management. (Airport)	122,984	1.00
Increase budget to better align with actual costs for supplies and services incurred from higher passenger activity at the Airport. (Airport)	135,000	-
Increase expense budget for on-going maintenance of three new vehicles for the Airport Operations, Security, and Terminal Operations Divisions. (Airport)	38,031	-
Increase expense budget to implement a Green/Sustainability Program at the Airport. (Airport)	250,000	-
Increase revenue to reflect higher projections based on an enplanement forecast. (Airport)	(762,344)	-
Increase revenue to reflect proposed changes to Airline rates and charges. (Airport)	(337,022)	-
One-time funding for an Arts, Community and Entertainment Program (ACE) at the Airport including art projects and installments. (Airport)	161,340	-
One-time funding for the purchase of one hybrid and two electric vehicles for the Airport Operations, Security, and Terminal Operations Divisions. (Airport)	133,508	-
Reduce expense budget for Property Management Services to reflect savings from operations being handled in-house and no longer outsourced. (Airport)	(141,882)	-
Capital Projects Fund Group		
Add 2 Environmental Specialist Associate positions to support the Stormwater Division, offset by LA County Measure W revenues. (Public Works)	258,075	2.00

Department and Item	Impact	Positions
Add 5 Administrative Intern-NC positions to support the Engineering Bureau, offset by project budget revenues. (Public Works)	-	5.00
Increase budgeted revenue from LA County Measure W for Stormwater-related expenditures. (Public Works)	(996,220)	-
Transfer 5 positions and associated expenses in the Stormwater Division from the General Fund to LA County Measure W. (Public Works)	738,500	5.00
Upgrade 1 Civil Engineer position to a Senior Civil Engineer position. (Public Works).	-	0.02
Upgrade 2 Capital Projects Coordinator IV positions to Project Management Officer positions to provide additional supervision of staff in the Project Management Bureau. (Public Works)	-	0.02
Civic Center Fund Group		
Add one Accounting Clerk III to support the Parking Operations Program. (Public Works)	22,838	0.30
Increase expense budget due to reduction of Personnel MOU with Fleet Services Bureau of Financial Management Department. (Public Works)	12,228	-
Reallocate expenses related to the Parking Operations Contract to more accurately reflect actual expenses in the correct funds. (Public Works)	(35,164)	-
Community Development Grants Fund Group		
Reallocate funding for a Neighborhood Services Specialist III from the General Fund Group to the Community Development Fund Group to align the position's budget with Community Development Block Grant (CDBG) activities.	102,639	-
Reallocate partial funding of various staff and supplies in the Accounting Bureau from the Community Development Grants Fund to the General Fund to account for adjusted scope of services provided by Financial Management. (Financial Management)	(53,274)	(0.54)
CUPA Fund Group		
Reallocate partial funding for a Public Health Associate II from the Health Fund Group to the CUPA Fund Group to provide adequate resources to meet regulatory requirements. (Health and Human Services)	64,496	0.75

Department and Item	Impact	Positions
Development Services Fund Group		
Increase budget for ongoing public engagement efforts including creation and printing of collateral, consultant services, and venue selection. (Development Services)	100,000	-
Increase budget for peer review consultants to provide subject matter expertise for complex design issues, geological areas of concern and storm water runoff. (Development Services)	50,000	-
Increase budget for various technology improvements including a web-based fee calculator, conferencing tools, and a forms submission portal that will improve the customer experience in planning and budgeting projects. (Development Services)	127,615	-
Increase budgeted revenues and expenses by \$100,000 from State-imposed fee for Certified Access Specialist (CASP) training and programs to educate staff and the public about disability access improvements. (Development Services)	-	-
Increase budgeted revenues to reflect the increased development activity in the City. (Development Services)	(1,177,615)	-
One-time funding for personal protective equipment required when entering construction sites. (Development Services)	5,000	-
One-time funding of \$1,000,000 to amend the zoning code consistent with the new General Plan Land Use and Urban Design Elements as required by state law, funded by increased fees and funds previously received from the General Plan Surcharge.	-	-
One-time funding to create architectural and engineering collateral materials to assist applicants in complying with the City's Building Code. (Development Services)	100,000	-
One-time funding to provide temporary staffing during ongoing recruitments to minimize wait times and turnarounds. (Development Services)	400,000	-
One-time funding to provide training and materials to staff on updated State building codes and provide informed assistance to applicants at the Permit Center. (Development Services)	136,100	-
One-time funding to support public engagement efforts in the Planning Bureau. (Development Services)	100,000	-

Department and Item	Impact	Positions
Reallocate positions within the Proactive Rental Housing Improvement program adding one Combination Building Inspector from Standard Code Enforcement and reducing a vacant Environmental Health Specialist position. (Development Services)	2,190	-
Employee Benefits Fund Group		
Upgrade a Clerk Typist III to Administrative Aide II to support administrative training, expenditures tracking, and conduction of surveys, offset by reduction in materials and supplies. (Human Resources)	-	-
Fleet Services Fund Group		
Add an Equipment Mechanic II to support the Fire Line, to meet the service and maintenance needs caused by an increase in outside deployment of Fire Department vehicles and equipment. (Financial Management)	93,247	1.00
Increase budget for increased technical support from the Technology and Innovation Department for the four main business systems in the Fleet Services Bureau. (Financial Management)	69,594	-
Reduce budget for maintenance, parts and fuel due to efficiencies as a result of operating a newer fleet. (Financial Management).	(960,300)	-
Reduce budget for payroll and personnel services previously provided by Public Works Department and brought back in house to Administrative Services Division. (Financial Management)	(38,552)	-
One-Time funding of \$250,000 for Electric Vehicle Programs in the Fleet Services Bureau to support energy efficiencies, offset by a transfer of AB 32 Cap and Trade proceeds from the Gas Fund. (Financial Management)	-	-
Gas Fund Group		
Add a Chief Construction Inspector to oversee the inspection work unit. (Energy Resources)	157,098	1.00
Add three Gas Construction Worker II to provide assistance to the Department's Leak Survey, Corrosion, and Valves work group. (Energy Resources)	243,309	3.00
Establish a Construction and Pipeline Maintenance Bureau that will help strengthen oversight of pipeline maintenance and construction operations and ensure compliance with federal regulations. (Energy Resources)	-	-

Department and Item	Impact	Positions
Reduce budget for Letter of Credit and Fiscal Agent Fees, which is no longer needed. (Energy Resources)	(119,000)	-
Reduce the personnel budget to account for vacancies. (Energy Resources)	(95,947)	-
Update the salary resolution to increase the budgeted grades of Gas Maintenance Supervisor I and II classifications. (Energy Resources)	57,050	-
Upgrade a Gas Field Service Representative III to a Gas Distribution Supervisor I in the Engineering and Construction Bureau to expedite the training process. (Energy Resources)	20,382	-
One-time enhancement of Cap and Trade funds to be transferred to Development Services, Public Works, and Fleet for projects reduce greenhouse gas emissions, offset by a combination of FY 20 project revenue and funds available.	1,050,932	-
General Grants Fund Group		
Add a Community Programming Technician I to support Mobile Studio programming in the community offset by Library Foundation grant funds. (Library Services)	-	1.00
Add two Library Aide-NC positions to support Mobile Studio programming in the community offset by Library Foundation grant funds. (Library Services)	-	2.00
General Services Fund Group		
Add an Administrative Analyst III in the Administration Division as part of the ongoing support structure for the new ERP (LB COAST) system. (Financial Management)	122,963	1.00
Add one Business Systems Specialist III to support increased technology needs at Fleet Services. (Technology and Innovation)	140,978	1.00
Add one Business Systems Specialist V for dedicated technology and increased support to the Public Works Environmental Services Bureau. (Technology and Innovation)	133,805	1.00
Add one Special Projects Officer, offset by project funding in FY 20, to support the LB COAST project and the ongoing support structure for the new ERP (LB COAST) system. (Human Resources)	167,909	1.00
Add one Systems Technician II to support new Body-Worn Camera program. (Technology and Innovation)	105,115	1.00

Department and Item	Impact	Positions
Eliminate the Financial Controls Bureau and transfer budget for materials and supplies and positions from Financial Management Department to Technology and Innovation Department to support an ongoing support structure for the new ERP (LB COAST) system. (Financial Management)	(874,113)	(7.00)
One-time funding to expand City Hall storage capacity from organic growth of applications and user files. (Technology and Innovation)	200,000	-
One-time funding to improve obsolete technology in existing City facilities. (Technology and Innovation)	250,000	-
One-time funding to upgrade the ServiceNow platform. (Technology and Innovation)	200,000	-
Health Fund Group		
Add a Public Affairs Officer to manage the distribution of public health information to develop resilient and informed communities, offset by funding from the Special Advertising and Promotions Fund Group. (Health and Human Services)	-	1.00
Add and upgrade various grant funded positions approved mid-year in FY 19 and offset by grant funds (Health and Human Services)	-	3.00
Reallocate partial funding for a Public Health Associate II from the Health Fund Group to the CUPA Fund Group to provide adequate resources to meet regulatory requirements. (Health and Human Services)	(64,496)	(0.75)
Upgrade a Physician Assistant to Public Health Physician to increase the capacity of the Tuberculosis and HIV clinics. (Health and Human Services)	6,873	-
Upgrade one Environmental Health Specialist III to a IV and add two new Environmental Health Specialist II positions in the Consumer Protection Program to provide supervisory and inspection capacity in response to state and local regulations. (Health and Human Services)	215,926	2.00
Housing Development Fund Group		
Reallocate partial funding of various staff and supplies in the Accounting Bureau from the Housing Development Fund to the General Fund to account for adjusted scope of services provided by Financial Management. (Financial Management)	(27,674)	(0.23)
Upgrade a Neighborhood Resources Officer to a Housing Operations Officer to reflect expanded scope of duties including identifying affordable housing opportunities and analyzing and developing housing policies. (Development Services)	11,960	0.06

Department and Item	Impact	Positions
One-time funding of \$762,747, to support a loan program to assist low-income households with energy efficiency improvements to single family homes, offset by a transfer of AB 32 Cap and Trade proceeds from the Gas Fund. (Development Services)	-	-
Insurance Fund Group		
Increase budget to fund a Workers' Compensation liaison in the Police Department to support sworn personnel through the workers' compensation process. (City Attorney)	114,893	-
Refuse/Recycling Fund Group		
Add and upgrade various positions to support the Environmental Services Bureau, including one Customer Relations Officer, one Customer Service Representative III, a Community Information Specialist II, two Admin. Interns, and an upgrade of an Administrative Analyst I to an Administrative Analyst II position. (Public Works)	372,844	4.26
Increase budget for changes to Technology MOU for increased support for department-specific technology systems. (Public Works)	138,801	-
Increase expense budget due to reduction of Personnel MOU with Fleet Services Bureau of Financial Management Department. (Public Works)	23,474	-
SERRF Fund Group		
Increase budget to reflect projected costs for SERRF operations and maintenance. (Energy Resources)	2,174,000	-
Increase revenue to align budget with actual operational activity. (Energy Resources)	(518,600)	-
Reduce budgeted revenues to reflect changes in anticipated sources of revenue, including lower electricity sales due to a new purchase agreement, the end of litigation settlement payment between facility building Dravo Corp, and decreased private hauler revenue. (Energy Resources)	2,834,700	-
Special Advertising and Promotions Fund Group		
Add a Program Specialist to the Public Affairs Office to focus on community engagement and monitor social media. (City Manager)	120,421	1.00
Add one Communication Specialist III position and budget to support the production and coordination of artistic, cultural and educational video programming with a focus in the new Civic Center (Technology and Innovation)	138,918	1.00

Department and Item	Impact	Positions
Increase budget for the Recreation Connection Advertising Guide to increase awareness and program participation. (Parks, Recreation and Marine)	24,650	-
Increase budget to offset a Public Affairs Officer in the Heath Department in support of communications and public affairs efforts. (City Manager)	121,470	-
Increase budget to offset a Public Affairs Officer position in the Police Department in support of communications and public affairs efforts. (City Manager)	155,117	-
Increase funding to provide support for a national public affairs media consultant shared by the City, the Port of Long Beach and the Long Beach Convention and Visitors Bureau. (City Manager)	50,000	-
Increase ongoing support for the Long Beach Convention and Visitors Bureau to enhance its continued promotion of the City for conventions and tourism. (City Manager)	100,000	-
One-time funding support subject to one-for-one matching funds for the Arts Council for Long Beach. (City Manager)	50,000	-
One-time funding to support a commemorative history book for the new Civic Center. (City Manager)	50,000	-
One-time funding to support co-hosting the Summer Olympic Games including qualifying Olympic events and planning consultants. (City Manager)	200,000	-
One-time funding to support POW! WOW! for art murals. (City Manager)	50,000	-
One-time funding to support video programming with a focus in the new Civic Center. (Technology and Innovation)	250,000	-
One-time funding to support wayfinding signage and historical plaques throughout the City. (City Manager)	250,000	-
Reallocate funding of a Public Affairs Officer between the General Fund and the Special Advertising and Promotion Fund to better align with duties. (City Manager)	71,218	0.37
Reallocate the budget used to leverage matching funds for Día de los Muertos, Jazz Festival and other community concerts from the Parks Recreation and Marine Department to the City Manager's Department. (City Manager)	60,000	-

Department and Item	Impact	Positions
Reallocate the budget used to leverage matching funds for Día de los Muertos, Jazz Festival and other community concerts from the Parks Recreation and Marine Department to the City Manager's Department. (Parks, Recreation and Marine)	(60,000)	-
Successor Agency Operations Fund Group		
Reallocate partial funding of various staff and supplies in the Accounting Bureau from the Successor Agency Operations Fund to the General Fund to account for adjusted scope of services provided by Financial Management. (Financial Management)	(31,021)	(0.21)
Tidelands Area Fund Group		
Increase budget to fully fund the Landscape Contract to maintain the landscaping services across the City's parks. (Parks, Recreation and Marine)	3,764	-
Increase budget to support charges from Public Works for refuse services at the marinas. (Parks, Recreation and Marine)	20,947	-
One-time funding to purchase a club car golf cart for the custodial staff in the Marina area. (Parks, Recreation and Marine)	18,000	-
One-time funding of \$70,400 to replace trash containers, offset by revenue. (Parks, Recreation and Marine)	-	-
Upgrade one Special Services Officer III to a Special Services Officer IV in the Marine Patrol Division to provide supervisory coverage. (Police)	1,254	-
Tidelands Oil Revenue Fund Group		
Upgrade two Petroleum Operations Coordinator I positions to Petroleum Operations Coordinator II positions, offset by a reduction of a Geologist II. (Energy Resources)	(205,223)	(1.00)
Tidelands Operating Fund Group		
Add 2.95 Lifeguard Non-Career positions for staffing the Wibit floating playground apparatus at Bayshore in the summer. (Fire)	210,640	2.95
Add 2.97 Maintenance Assistant I positions to support beach and marine maintenance during summer months. (Parks, Recreation and Marine)	113,869	2.97
Add a Marina Aide - non career position to support inspection and maintenance of boat launch ramps. (Parks, Recreation and Marine)	32,964	0.60

Department and Item	Impact	Positions
Add Recreation Assistant funding to support and coordinate the Volunteer Program in the Community Recreation Services Bureau. (Parks, Recreation and Marine)	19,090	0.25
Increase budget for the Recreation Connection Advertising Guide to increase awareness and program participation. (Parks, Recreation and Marine)	4,350	-
Increase budget for Tidelands water/irrigation needs to be inline with tree requirements. (Parks, Recreation and Marine)	17,440	-
Increase budget to fully fund the Landscape Contract to maintain the landscaping services across the City's parks. (Parks, Recreation and Marine)	24,956	-
Increase budget to support maintenance cost of the surf rake for the beaches. (Parks, Recreation and Marine)	33,360	-
Increase expense budget due to reduction of Personnel MOU with Fleet Services Bureau of Financial Management Department. (Public Works)	10,840	-
Increase various budgeted revenues for parking-related revenues and misc. permits and fees. (Public Works)	(35,430)	-
One-time funding of \$31,500 for an 11th week of Summer Day Camps offset by revenue from fees to provide programming that aligns with the Long Beach Unified School District calendar for the Summer of 2020. (Parks, Recreation and Marine)	-	-
Reallocate expenses related to the Parking Operations Contract to more accurately reflect actual expenses in the correct funds. (Public Works)	746,650	-
Reallocate funding for various staff from the General Fund Group to the Tidelands Operating Fund Group to better align job duties. (Economic Development)	145,198	1.05
Reclassify one Recreation Assistant to a Community Services Supervisor to support field permitting and compliance. (Parks, Recreation and Marine)	495	(0.15)
Upgrade 2 Capital Projects Coordinator IV positions to Project Management Officer positions to provide additional supervision of staff in the Project Management Bureau. (Public Works)	17,064	0.07
Add an Accounting Clerk III to support the Parking Operations Program. (Public Works)	53,289	0.70

Department and Item	Impact	Positions
Increase expense budget due to reduction of Personnel MOU with Fleet Services Bureau of Financial Management Department. (Public Works)	1,784	-
Increase various budgeted revenues for parking-related revenues and misc. permits and fees. (Public Works)	(816,091)	-
Reallocate expenses related to the Parking Operations Contract to more accurately reflect actual expenses in the correct funds. (Public Works)	27,270	-
Towing Fund Group		
Add a Garage Service Attendant I as an additional Tow Truck Driver, offset by a reduction in materials and supplies. (Financial Management)	-	1.00
Upgrade three Customer Services Representatives II to Customer Services Representatives III, offset by a reduction in materials and supplies. (Financial Management)	-	-



Critical Technology Needs Budget

Item (\$ in millions)	Description	Implementation Total	Operating Impact on FY 19 Budget	Operating Impact on FY 20 Budget *	FTE Impact **
Outdated Equipment					
Data Center	This category builds a redundant and scalable data center to support all of the City's technology operations, including hosting of finance, human resources, utility billing, billing and collections, GIS and internal/external websites. Equipment in this category includes battery backup systems, power distribution systems, heating/air conditioning, cabling, racks, servers, storage, networking, monitoring, and backup systems.	9.1	1.74	2.80	
Network Communications	This category delivers data and voice networking, and modernizes Citywide end-of-life networking equipment that supports all technology system communications. Outdated equipment in this category create availability risks to City operations, and limit the performance of data throughput. Also included are fees to cover a temporary uplift of telecommunication service contracts to support increased bandwidth needs at City facilities until the Citywide fiber system is operational, and fees to cover a one-time migration of services from the existing City Hall and Main Library to their new buildings.	10.7	1.00	1.00	
PC Replacements	One-time PC hardware costs to bring funding in line to a five-year replacement schedule.	1.8	0.10	0.21	
Fiber	This category allocates \$5.8 million towards "dig once" opportunities, which will be combined with the \$11.9 million Fiber Network Project, if the city proceeds with the citywide fiber network infrastructure recommendation. This category also installs fiber between Civic Center buildings, and installs temporary cabling to facilitate the one-time migration of servers and applications.	5.8	0.12	1.25	
Wireless	This category allocates \$3.6 million towards public citywide WiFi enhancement and expansion that can support the digital inclusion programs, in coordination with city construction, innovation and fiber projects. This category also provides enhanced WiFi access enabling new innovative and effective ways to engage and work throughout the campus. Additionally, this category will enable the City to implement needed technologies to ensure cellular services are available and reliable within the new campus buildings.	3.6	0.47	0.63	
Equipment	This category supports the purchase of technology racks and power in IT/AV/telephone closets, radio broadcasting antennas, and microwave antennas. Additionally, it supports the new Civic Center Council Chamber audio/visual systems, lobby display systems, public and staff conference rooms, badge access throughout the building.	10.1	1.29	1.34	2.0
Security Cameras	This category delivers video surveillance and investigative capabilities throughout the Civic Center's public areas, stairwells, lobbies, parking garages, and youth areas of the main library. This will also support integration of Civic Center cameras with the Citywide Network Camera System.	1.8	0.48	0.62	2.0

Critical Technology Needs Budget

Item (\$ in millions)	Description	Implementation Total	Operating Impact on FY 19 Budget	Operating Impact on FY 20 Budget *	FTE Impact **
Fiber Network					
Fiber Network Project	This category is combined with the Fiber "dig once" investments listed in "Outdated Equipment" to connect City buildings (aka Scenario #1).	11.9	0.24	0.36	2.0
Technology Systems					
Customer Relationship Management (CRM) System	This is for implementation and hardware of a new CRM system.	1.0	0.19	0.46	1.0
Cyber Security Systems	This category includes PCI Data Security Standard assessment/remediation, pen testing, cyber tool installations, data loss protection, endpoint security tools, network intrusion detection, and event monitoring/ correlation.	3.7	0.76	1.00	1.0
Electronic Document Management Systems (EDMS)	This is for conversion, implementation, and software license of an EDMS system.	5.6	0.52	0.52	
Grand Total		65.1	6.91	10.18	8.0

* FY 20 is the total cumulative budget (i.e. Includes the FY 19 budget figure) for all funds.

** 8.0 FTEs were included in FY 19 Adopted Budget and funded by critical technology needs budget previously set aside.

Unfunded High-Priority Needs and Unfunded Liabilities

Examples of Citywide and Department Needs

ATTACHMENT E

While the Proposed FY 20 Budget funds many important initiatives, there still remain high priority needs that have been left unfunded, as well as long term unfunded liabilities. A few examples are listed below. This list contains general examples; the list is not in any order and is not intended to be comprehensive. The costs are very rough estimates.

Item	Description	Estimated Cost
Immediate Critical Needs		
Park Tree Removals	The tree inventory lists approximately 14,000 trees in fair, poor, or dead conditions, as of 2014.	\$1.8 million to \$7.2 million
Parks Water Needs	As a result of the historically low levels of rainfall, an increase in funding to purchase potable and reclaimed water to irrigate the City's open spaces and parks is necessary. To adequately irrigate all 996 acres of parks and open space, the City will need an minimum of \$2.4 million a year above structurally budgeted levels.	\$2.4 million/ year
Irrigation Pumps	Many of the City's 35 irrigation pumps used to pressurize the irrigation system or to move lake water are decades old, marginally functional, or not functional at all.	\$1.6 million
Council Directed Initiatives	Over the past year, City Council has directed staff to investigate various unfunded programs to address local and national concern. These initiatives include digital inclusion, suicide prevention, a Reserve Officer program, discontinuation of use of products containing Glyphosate, and Phase II of Animal Care audit recommendations, among others. These programs if fully implemented would create a significant cost.	TBD
Addressing Homelessness and Affordable Housing	Addressing homelessness and providing affordable housing is a major City need and goal. The City is already investing considering resources on an annual basis. However, more funds are needed and the City is currently evaluating the various needs and potential funding sources.	TBD
Lifecycle Replacement Costs		
150 Self Contained Breathing Apparatus (SCBA) for fire incidents	The SCBA is a critical component of the firefighter's personal protective equipment ensemble, offering respiratory protection in fire incidents and other environments that are immediately dangerous to life or health.	\$1.5 million
Fleet Acquisitions	Increased costs for fleet acquisitions have resulted in some deferral of costs and concerns that the acquisition of vehicles may no longer be able to be replaced at the desired pace.	TBD
Unfunded Personnel and Risk Related Liabilities		
Sick Leave and Retiree Health Subsidy	This liability represents the unfunded portion of the cost of benefits that employees will accrue over their working careers. Current annual funding for the associated employee benefits is not large enough to reduce the unfunded liability.	\$191 million
Pension Liability	This unfunded pension liability is the result of many factors, a key one being investment earnings not achieving the assumed earnings rates. Based on actuarial assumptions, the City will be able to eliminated unfunded liabilities in approximately 30 years through the substantial increase in contributions that is occurring.	\$1.06 billion
Workers Compensation and General Liability	Workers Compensation liability is caused by changes to the State laws increasing the City's exposure and by inadequate contributions over time. With regards to General Liability, large settlements have increased in frequency and amount in recent years, and is expected to put significant strain on the fund.	\$163 million
Deferred Maintenance		
Street and Road Improvements	The City's roadways are in fair condition with an average Pavement Condition Index (PCI) score of 62 (2017) out of a possible 100. The City has 22 percent backlog for street reconstruction. A backlog of this magnitude indicates the need for a larger investment. As of 2017, it was estimated the cost to increase our average PCI to 80 is \$510 million over 10 years. Current street funding including Measure A and SB1 is approximately \$51 million/ annually.	\$51 million additional per year

Unfunded High-Priority Needs and Unfunded Liabilities Examples of Citywide and Department Needs

ATTACHMENT E

Item	Description	Estimated Cost
Alley Paving	Long Beach has 44 miles of asphalt and dirt/gravel alleys. Forty five percent of the City's asphalt alleys and 100 percent of the City's 11 miles of dirt/gravel alleys are in poor or very poor condition. The City, using Measure A, recently completed its first assessment of alleys in the City's history. As of 2017, the City's alley deficiency is estimated at \$98 million which does not include the \$5 million in Measure A funding identified for paving dirt alleys. It is estimated the cost to increase the average PCI to 80 is almost \$20 million annually over 5 years.	\$20 million annually
Stormwater Protection System	The City is working to identify funding to address its aging stormwater management system. In 2018, LA County voters passed the stormwater parcel tax Measure W which will provide an estimated \$5 million beginning in FY 20. This additional funding will help the City address stormwater costs but Measure W will not fund replacement of our aging pump station and stormwater infrastructure, estimated to cost about \$292 million. Additional information regarding what City projects are eligible for Measure W funds will not be known until the guidelines are finalized.	\$292 million
City Facility Repairs	The City is in the process of completing a Citywide Facility Condition Assessment by measuring the Facility Condition Index (FCI) of each city facility. The FCI will help prioritize funding for repairs that will address leaking roofs, HVAC, energy efficiencies, structural repairs, maintenance and other deficiencies. The City has over 350 facilities in total which will be assessed as the Citywide Facility Condition Assessment continues. Thus far, the Facilities Investment Plan has assessed 17 facilities, with a total replacement need of \$38 million. The City has 200+ facilities, which will be assessed as the Facilities Investment Plan continues. Total replacement need could exceed \$500 million.	Roughly estimated at over \$500 million
Sidewalk Management Plan	The City recently completed a comprehensive review of the City's sidewalk infrastructure. This plan found a need of over \$631 million (includes ADA curb ramps) for investment in the City's sidewalks.	\$631 million
Parks Tree Trimming Cycle	The City's tree management program for parks consists of emergency trimming for safety purposes only, mainly around buildings and playgrounds. The standard of arbor care indicates that regular grid trimming will enhance the longevity and safety of the urban forest. An annual funding increase \$560,000 is needed to support a five year tree trimming cycle to maintain healthy trees in City parks.	\$560,000
Other Needs		
8-by-28	The City has committed to 8 important infrastructure investments to support its role hosting the Olympics in 2028. The City of Long Beach has been awarded key sports events including: Handball, Triathlon (Olympic and Paralympic), Marathon Swimming, BMX Racing, Water Polo, and Sailing. The eight projects are as follows: <ul style="list-style-type: none"> • Belmont/Veterans Pier Rebuild (City funded - \$25 million gap) • Belmont Pool (City funded) - \$20 million gap • Lifeguard Towers (City funded) - 1.5 million gap • Beach Concession Stands (City funded - underway) fully funded • Arena Improvements (City and Private funded) - \$50 million gap • Pine & Ocean Hotel (Private Funded w/ city tax incentives assisting) • Airport Improvements (Airport funded) - fully funded • Metro Blue Line Improvements (Metro and City funded; completed in 2019) 	~\$96.5 million
Implementation of the Climate Action and Adaptation Plan (CAAP)	The CAAP concludes that daily flooding due to sea level rise could cost the City an additional \$26 million in damage to transportation infrastructure on an annual basis by 2030. Other aspects of climate change also are damaging. The CAAP identifies a number of steps the City could take. Total costs are very high and have not been definitively determined as of yet.	TBD